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James A. Carder
Director
Division of Accounting

MEMORANDUM

TO: State Agencies
FROM: OA, Accounting
DATE: June 10, 2002
RE: Reclassification of Debt

This is a reminder to all state agencies that have long-term debt established on the SAM II system, it is time to reclassify the next year's debt payments from a long-term payable to a current payable. Please refer to the below text for reference on preparing the journal voucher.

If you have any questions, please call Pat Freeman at (573) 751-9401 or Lynn Cannon at (573) 751-1899.

Your time and cooperation concerning this matter is greatly appreciated.

LC:vs/Notifications/LongTermDebt

Reclassifying Long-Term Debt to Current Debt:

Annually, in June, agencies should review the amount of long-term debt outstanding and identify the portion that will be payable in the next fiscal year. The following procedure should be followed to reclassify this debt:

A JV is used to record this transaction. The document prefix “DT” should be used.

New/Modification: Leave blank or select New

Comments: “**Debt reclassification**”

Debit Total: Enter the total amount of the debit lines on this document. (Must equal the **Credit Total** line)

Credit Total: Enter the total amount of the credit lines on this document. (Must equal the **Debit Total** line)

Account Type: Select “**Liability**” (02)

Fund: Enter the fund number associated with this line.

Agency: Leave blank

Organization: Leave blank

Appropriation Unit: Leave blank

Activity: Leave blank

Function: Leave blank

Description: Enter “**reclassify ‘*name of debt*’ debt**”

Object/Revenue: Leave blank

BS Account: Enter appropriate balance sheet account “**2506**” (Bonds Payable - Long-term).

Bank Account Code: Leave blank

Debit: Enter amount of debt

Credit: Leave blank

For the credit portion, enter all fields the same except for **BS Account**, **Debit**, and **Credit** fields:

BS Account: Enter appropriate balance sheet account “**2505**” (Bonds Payable Current)

Debit: Leave Blank

Credit: Enter amount of the debt

Process the JV according to Policies and Procedures, Section O.